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January 24, 1995

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

EX PARTE

Re: CC Docket No. 94-54

Dear Mr. Caton:

DOCKET FILE COPY ORIGINAL

On behalf of Nextel Communications, Inc. and pursuant to Section 1.1206 of the Federal Communications Commission's Rules, this letter constitutes notice that Larry Krevor, Laura Holloway, Tamara Casey, and Rob Chimsky met today with the following personnel in the Policy Division of the Wireless Telecommunications Bureau: John Cimko, Chief; Michael Wack, Deputy Chief; Nancy Boocker, Attorney; Barbara Esbin, Attorney; Judith Argentieri, Attorney; and Amy Lesh, Industry Analyst, to discuss the above-referenced proceeding. Specifically, Nextel addressed the technical and operational impact of imposing equal access obligations on Nextel, its position on CMRS-to-CMRS interconnection, and issues concerning the required resale of CMRS services. The meeting was initiated at the request of the Policy Division. Attached are documents distributed at the meeting.

An original and one copy of this letter and attachments have been filed with the Secretary pursuant to Section 1.1206. Should any questions arise in connection with this notification, please do not hesitate to contact the undersigned.

Respectfully submitted,

NEXTEL COMMUNICATIONS, INC.

Lawrence R. Krevor
Director - Government Affairs

No. of Copies rec'd 04
List A B C D E

cc: (w/o attachments)
John Cimko
Michael Wack
Nancy Boocker
Barbara Esbin
Judith Argentieri
Amy Lesh

attachments

Equal Access



Presentation to the FCC Staff

January 23, 1995

Nextel Communications, Inc.

Development Implications

■ General Considerations

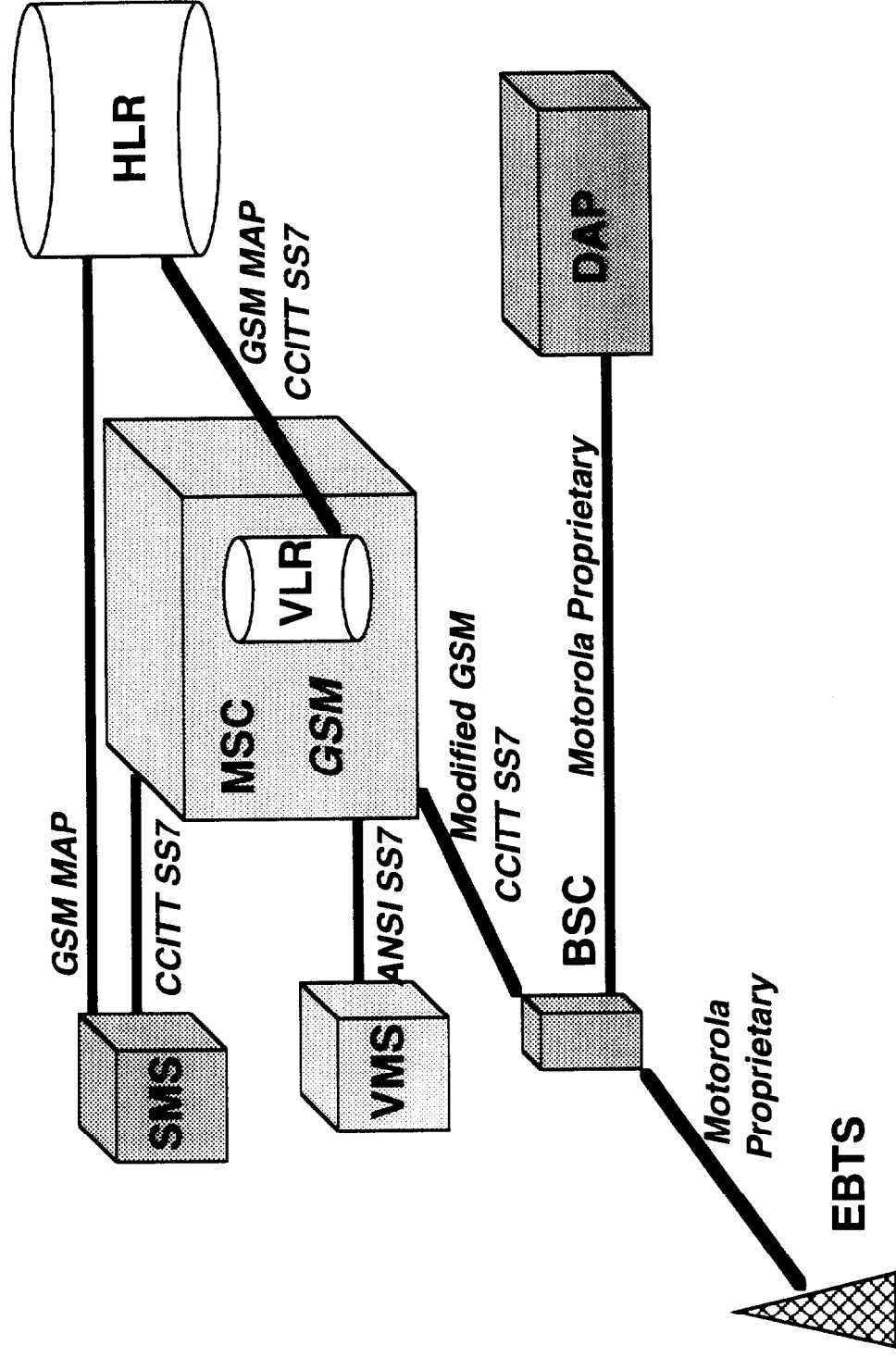
★ GSM not designed with regard to Equal Access

- *International standard not based around competitive access*
- *Any equal access developments required will be outside GSM standard*
- *Except for potential PCS players, developments will be applicable only to U.S. ESMR carriers*

★ Nextel current switch coverage area significantly larger than most LATAs or MTAs

- *When will use of IXC be required?*
- *Potential backhaul inefficiencies and increased costs*

System Interconnections



Development Implications

■ User dialed 10XXX Considerations

- ★ New switch translation tables need to be developed to associated 10XXX with trunk group
- ★ Access to various carriers must be implemented and maintained
- ★ Must establish transfer of bill record information to each carrier on each call
- ★ Subscriber equipment or network element development must occur to automatically dial customer 10XXX code for feature transparency

Development Implications

■ Additional 10XXX Considerations

★ How to handle movement toward 101-XXXX

- *Will multiple tables be required?*

★ How to address intra-LATA toll equal access

★ Implementation of additional translation tables is a significant development effort

- *Example: Implementation of * and # dialing*
- *Must verify all potential table interactions*

Development Implications

■ Presubscription Considerations

★ Significant enhancement to HLR, VLR, and Switch

- *New records must be created in HLR and VLR to contain presubscribed carrier information*
- *New translation tables in the switch to associate user selection with proper trunk group*

★ Order entry and administration system must be enhanced

- *Customer support must be able to properly input customer selection to network elements*
- *Processes must be established to verify and effect changes to customer selections*

Development Implications

■ Presubscription Roaming Considerations

★ Significant enhancement to GSM MAP standard to support roaming

- *Processes and new records created to download presubscription information to current subscriber market*

★ Roaming call termination requires intelligent signalling

- *Call delivery to visited market requires SS7 signalling to assure proper handling of forwarded call*
- *Call delivery scenarios become potential more complex with 500 numbers*

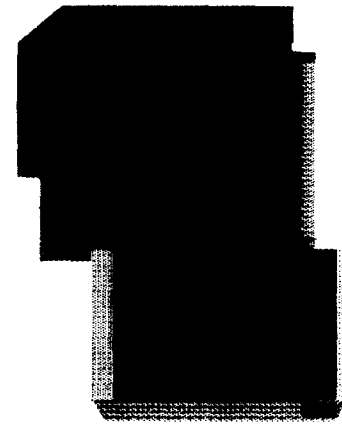
Roaming



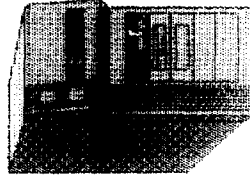
Los Angeles



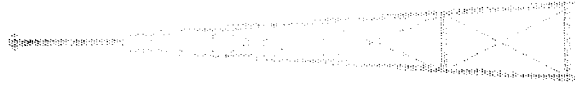
MSC



Voice Mailbox



New York



Development Implications

■ Summary of Considerations

- ★ Any requirement to support equal access will result in a major development effort
 - *Use of GSM requires special development considerations*
 - *10XXX is less severe than presubscription but both impose significant financial and technical burdens*
- ★ Equal Access has impacts on the total system
 - *Order entry, switch, HLR, VLR, SMS, customer service*
 - *Impacts feature functionality and seamless service*
 - *Must consider “home” system and “roaming” impacts*

Operational Implications

■ Balloting Administration

★ Initial Balloting

- *3 Rounds Minimum Requirement Under Current Equal Access Regulations*

★ Pre-Subscription Changes

- *Charges May Vary By Carrier*

★ No Cost Recovery Mechanism for CMRS

- *Additional personnel dedicated to ballot administration*
- *All personnel trained on ballot administration*

Operational Implications

■ Billing and Customer Information Systems

★ Internal Systems

- *Modification Required to Support Additional Activities*

★ External Systems

- *Additional Costs for processing records*

★ Customer Education

- *Customer Potentially Receives Multiple Invoices*
- *Some Customers Can Receive Credits /Adjustments from the CMRS, Other Customers Cannot*
- *Value Added Service of IXC's Difficult to Understand*
- *Different Billing Cycles for the "same services"*

Operational Implications

■ Financial Considerations

★ Audit and Reconciliation Processes

- *Many Carriers Involved*
- *Smaller Carriers Highly Susceptible to Fraud*
- *Different Billing Cycles Increase Complexity*

★ Cost Implications

- *Significant Increase in Operational Expenses With No Corresponding Revenue*
- *Significant Capital Outlay to Implement the Technology and Balloting Process*
- *Significant Lag Time in Receiving Payments from IXC and varying time-frames*

Marketing & Competitive Issues

■ Equal Access as a Competitive Advantage

★ Availability is Not a Competitive Issue

- *Customers do not change providers based on availability of Equal Access*
- *Creates more customer confusion on an already complicated sale*
- *Sales personnel rarely understand the complexities or benefits of Equal Access*
- *Only the most sophisticated user truly benefits*
- *Roaming complexities are significant if different markets provide access to different IXC's*

Marketing & Competitive Issues

■ Training & Documentation

★ Training

- *Sales Personnel Must Be Trained in the Nuances of Various IXC Offerings*
- *Indirect Sources of Distribution Will Not Be Effective At Communicating Alternatives*
- *Reselling Requirements Could Make The Situation Even More Complex*

★ Customer Literature and Contracts

- *Expansion would be required to include detailed information on Equal Access*

Customer Perspective

■ Equal Access Equals Confusion

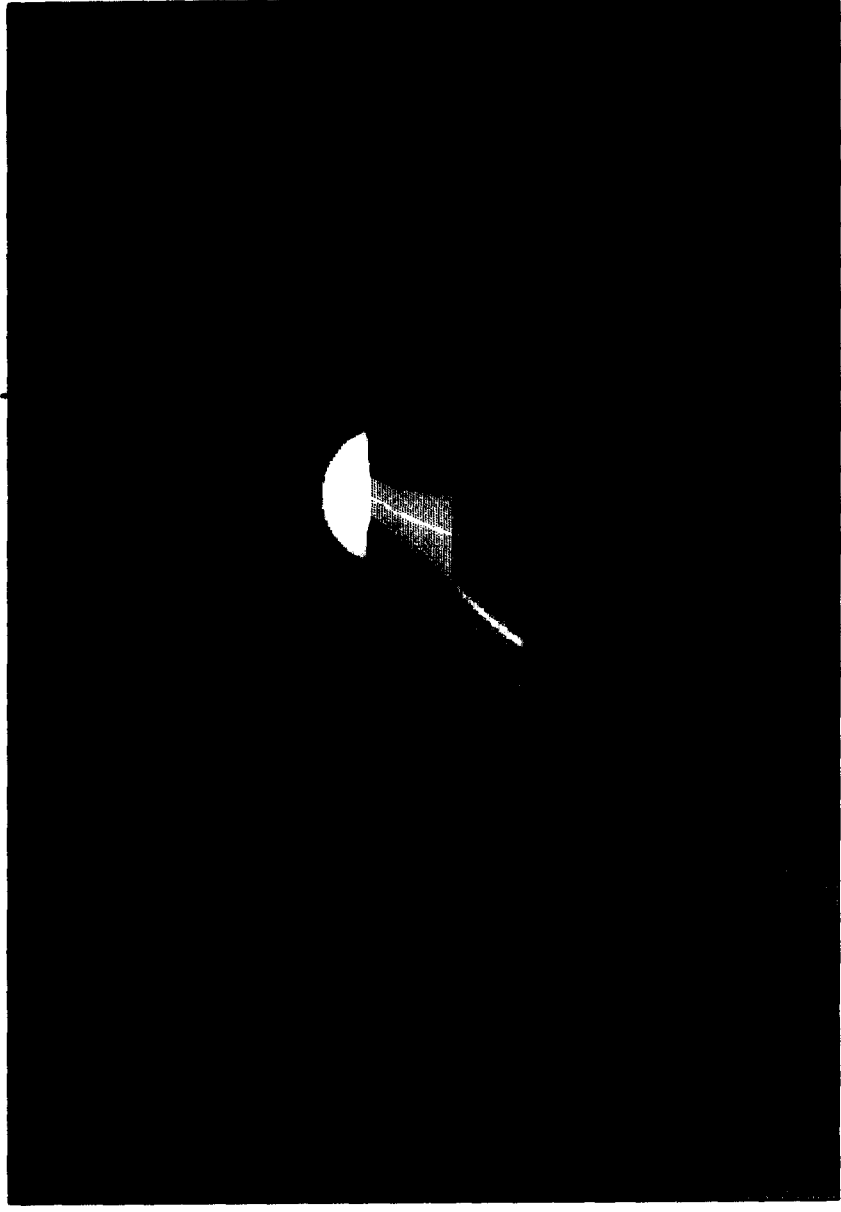
★ The Decision Process

- *Many Wireless Customers Do Not Know Who Provides Their Long Distance, Much Less How*
- *Customers Generally Make Wireless Decisions Based on Price and Coverage Area*
- *Very Few Wireless Customers Understand How To Take Advantage of IXC Special Offers or Special Service Plans*
- *Fraudulent Subscribers Can Hide Behind the Equal Access Process by Constantly Changing IXCs, Leaving the Wireless Carrier to Bear the Cost of the Fraud*

Business Issues -- Summary

- Does Not Result in any Additional Customer Satisfaction
- Cost Center with no Associated Revenue
- Increased Complexity with Billing, Accounting and Customer Information Systems
- Personnel Training Requirements Increase Significantly
- Increases Fraud Potential

CMRS TO CMRS INTERCONNECTION



Today's CMRS Environment

- Multiple Standards for Digital Cellular
- Limited Implementation of LEC to Wireless SS7 Trunks
- Defacto Standard for ESMR
- Multiple Standards Being Considered for PCS
- Paging on Multiple Frequencies and Multiple Technologies
- Proprietary DATA Networks Evolving
- No Decision on Universal Equal Access

Today's CMRS Environment

- Carriers Selecting Technology
- Carriers Changing Technology
- Carriers Implementing Technology
- Carriers Acquiring Spectrum
- Carriers In Transition to Full CMRS Status
- Network Security is Precarious
- Network Reliability Varies Widely
- Interconnect Costs Vary Widely by LEC & Area

Future Considerations

- Digital technologies are highly susceptible to Audio Delay. Audio Delay can be reduced slightly by eliminating unnecessary steps in the call delivery process. This represents a potential technical benefit to CMRS to CMRS interconnection.
- Sharing of SS7 based network elements is another potential benefit of CMRS to CMRS interconnection. For example, SMSC functionality could probably be shared by multiple networks with standards.

Future Considerations

- LEC bypass would be a natural outcome of CMRS to CMRS interconnection. Loss of LEC revenue could lead to unrest at the state level due to loss of tax and universal service revenue. No process exists to “police” this kind of bypass activity.
- No standard has been proposed for the type of interconnection. Allowing unlimited technical arrangements would be costly and inefficient. Standards would be required.

Total Federal Preemption A Must

- Technical Standards Required
 - ★ Interfaces
 - ★ Signaling
 - ★ Billing Record Exchange
- Regulatory Guidelines Must Be Consistent
- Relief Must Be Available for Disputes
- Costing Methodologies Must Be Standardized
- Equal Access Concept Must Be Considered/Required

Where Does It End?

- Probable Rate of Return Regulation for the Entire Wireless Industry
- Universal Access to All Carriers
- Loss of Identity for Small, Unique Carriers
- Marketing Power Becomes the Only Distinction, Only the Strong (\$) Survive
- Largest Federally Regulated Industry